

**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

January 9, 2020

The Honorable Ikaika Anderson
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Anderson and Councilmembers:

Subject: Cost Items – Hawaii Government Employees Association
Bargaining Unit 3

Pursuant to Section 89-10(b) and 89C-2(4), Hawaii Revised Statutes (HRS), I am submitting for your action the cost items as contained in the contract settlement and ratification dated January 8, 2020, for the Hawaii Government Employees Association Bargaining Unit 3. The collective bargaining agreement is effective from July 1, 2019 to and including June 30, 2021.

According to Chapter 89, HRS, cost items require City Council action. Section 89-10(b), HRS, provides, in part:

"The state legislature or the legislative bodies of the counties acting in concert, as the case may be, may approve or reject the cost items submitted to them, as a whole. If the state legislature or the legislative body of any county rejects any of the cost items submitted to them, all cost items submitted shall be returned to the parties for further bargaining."

Section 89C, HRS, also requires City Council action for cost items for excluded employees. Section 89C-2(4), HRS, provides that:

"For excluded employees under the same classification systems as employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for employees hired on a comparable basis."

MAYOR'S MESSAGE 4

20JAN15 PM 1:46 CITY CLERK

The Honorable Ikaika Anderson
Chair and Presiding Officer
and Members
January 9, 2020
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Attached is a summary of the cost items, including estimated salary costs, for Bargaining Unit 3 included and excluded employees.

Should you have any questions, please contact Carolee C. Kubo, Director of Human Resources, the City's designee for collective bargaining, at 768-8500.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kirk Caldwell', with a long horizontal flourish extending to the right.

Kirk Caldwell
Mayor

Attachments

cc: Department of Budget and Fiscal Services



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED AND EXCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNIT 3 (HAWAII GOVERNMENT EMPLOYEES ASSOCIATION).

WHEREAS, Chapter 89, Hawaii Revised Statutes (HRS), establishes a statewide collective bargaining process for public employees; and

WHEREAS, pursuant to Chapter 89, HRS, the employers and representatives of Bargaining Unit 3 (Hawaii Government Employees Association) began negotiations in June 2018, concerning a collective bargaining agreement for the employees in the bargaining unit; and

WHEREAS, the parties agreed to a new contract which was ratified on January 8, 2020; and

WHEREAS, pursuant to Section 89C-2(4) HRS, "For excluded employees under the same classification systems as employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for employees hired on a comparable basis;" and

WHEREAS, the new collective bargaining agreement makes adjustments to wages and other non-wage cost items and is effective from July 1, 2019 through June 30, 2021; and

WHEREAS, pursuant to Section 89-10(b), HRS, the cost items are subject to appropriations by the respective legislative bodies; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approve the collective bargaining cost items for the Bargaining Unit 3 included and excluded employees of the City and County of Honolulu, a summary of which is attached as Exhibit A; and

MM-4(20)



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and Director of the Department of Human Resources.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers

**COLLECTIVE BARGAINING REPORT TO CITY COUNCIL
HGEA AGREEMENT FOR BARGAINING UNIT 3**

The current collective bargaining agreement for Bargaining Unit 3 with the Hawaii Government Employees Association (HGEA) expired on June 30, 2019. Negotiations for successor agreements began in June 2018. The Employer and Union tentatively agreed to a new contract on December 23, 2019. HGEA held statewide ratification meetings from December 30, 2019 – January 8, 2020.

The settlement covers the following City employees:

| Bargaining Unit | Included | Excluded | Total |
|----------------------------------|-----------------|-----------------|--------------|
| 3 – White Collar Non-supervisory | 1,530 | 183 | 1,713 |

(Based on data as of December 31, 2019, including BWS)

Summary of Settlement

I. Duration

The agreement is effective from July 1, 2019, to and including June 30, 2021.

II. Salaries

A. Effective 7/1/19

1. \$2,800.00 lump sum payment for all employees and replace step movement plan with negotiated step movements.

B. Effective 7/1/20

1. Employees on Steps B through L move one step. Delete Step B.
2. Increase the rates on the salary schedule for SR04 to SR08 by 2.0% to 10.1%. See table of monthly salary rates below:

| Average Increase | | C | D | E | F | G | H | I | J | K | L | M |
|-------------------------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 10.1% | SR04 | 2,463 | 2,561 | 2,669 | 2,775 | 2,885 | 2,997 | 3,121 | 3,243 | 3,370 | 3,507 | 3,644 |
| 8.0% | SR05 | 2,513 | 2,613 | 2,723 | 2,831 | 2,943 | 3,058 | 3,184 | 3,308 | 3,438 | 3,578 | 3,718 |
| 5.9% | SR06 | 2,564 | 2,665 | 2,778 | 2,888 | 3,002 | 3,119 | 3,249 | 3,375 | 3,508 | 3,650 | 3,793 |
| 3.9% | SR07 | 2,615 | 2,719 | 2,834 | 2,946 | 3,063 | 3,182 | 3,314 | 3,443 | 3,579 | 3,724 | 3,870 |
| 2.0% | SR08 | 2,668 | 2,774 | 2,891 | 3,006 | 3,125 | 3,247 | 3,381 | 3,513 | 3,651 | 3,799 | 3,948 |

3. Employees who are on Step M of SR08 as of June 30, 2020 will receive a one-time 2% lump-sum payment.
4. Employees who are on Step M of SR09 and above as of June 30, 2020 will receive a one-time 4% lump-sum payment.

C. Effective 1/1/21

1. Increase the rates on the salary schedule by 3.46%.

The following chart summarizes the City's estimated salary costs for the two-year contract period:

| SALARY COSTS FOR BARGAINING UNITS 2, 3, & 4 | | | |
|--|--------------------|---------------------|---------------------|
| | FY 2016 | FY 2017 | TOTAL |
| Without BWS | | | |
| Included Employees | \$5,894,472 | \$10,794,024 | \$16,688,496 |
| Excluded Employees | \$543,539 | \$919,735 | \$1,463,274 |
| TOTAL | \$6,438,011 | \$11,713,759 | \$18,151,770 |
| With BWS | | | |
| Included Employees | \$6,509,507 | \$11,798,104 | \$18,307,611 |
| Excluded Employees | \$582,777 | \$990,798 | \$1,573,575 |
| TOTAL | \$7,092,284 | \$12,788,902 | \$19,881,186 |

| SALARY COSTS FOR BARGAINING UNIT 3 Included & Excluded Employees | | |
|---|--------------------|---------------------|
| FY 2020 | FY 2021 | TOTAL |
| \$6,954,477 | \$6,817,882 | \$13,772,359 |

III. Employer-Union Health Benefits Trust Fund (EUTF)

A. Effective 7/1/19, the Employer will pay specific dollar amounts for the PPO and HMO plans which increase the Employer contribution rates an average of approximately 3% from the previous year. The Employer contribution shall be capped at 84.3% of the total premium. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall pay 100% of the premiums and fees).

B. Effective 7/1/20, the Employer will pay specific dollar amounts for the PPO and HMO plans which increase the Employer contribution rates an average of approximately 10% from the previous year. The Employer contribution shall be capped at 84.3% of the total premium. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall pay 100% of the premiums and fees).

The following chart summarizes the City's estimated increase to EUTF costs for the two-year period for bargaining unit 3 (included & excluded employees):

| EUTF COSTS FOR BARGAINING UNITS 2, 3, 4, & 13, Included, Excluded and EM | | | |
|---|--------------------|--------------------|-----------------------|
| | FY 2018 | FY 2019 | TOTAL FY 18-19 |
| TOTAL | \$1,584,970 | \$3,643,578 | \$5,228,548 |

| EUTF COSTS FOR BARGAINING UNIT 3 | | |
|---|--------------------|--------------------|
| FY 2020 | FY 2021 | TOTAL |
| \$353,272 | \$1,387,374 | \$1,740,646 |